

Parts Manager Conversation

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to coach your Parts Manager on how they can be implemented. Be sure to respect their expertise. **Provide your answers in a different color font.**

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)? Just OEM training. **I would like to get him in the Parts NADA class.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? No we just have our company statement.
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? What is your current Repair Order FTFR? No/92% **When using the excel spreadsheet based off of 32 RO's, it was 78%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 68%/32% **You are right based off my calculations.**
5. What policies, controls, and security are in place on your DMS (via Privileges and/or the Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions? They can change pricing as needed. They can't give refunds without the manager's approval. **Training is provided and we can track what the employees do and coach if this becomes an issue.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Only the parts department can change pricing. Unless warranty
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Yes, we are. **The GM and parts manager.**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? If not, when was the last time you petitioned the OE for retail reimbursement? Yes, we are, and we just had an adjustment last year. We are at our max reimbursement level. **Make sure we check this every 6 months just to stay on top of it.**
9. Do the Parts, Service and Body Shop Managers work with the Office Manager/Controller monthly to follow up on all Work in Process (WIP) documents. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? Yes we do and we have a monthly reconciliation at the biggining of each month.

10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? Yes. [They have access to their departments and we go over it.](#)
11. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved? Based out our % of gross and make sure we are competitive. [Don't sell scared and undercut your profits.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Monthly
13. Do you have a Parts online eStore? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? Yes. They come directly to the BDC manager and Parts manager, and they are reached out to immediately.
14. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? We use the VW OEM requirements that we complete and then in house training. [Let's look at some courses that could further develop our personnel.](#)
15. Do you have a process to offer accessories to 100% of your New and Used customers? If so, what does it look like? If not, why not? No, we do not. This has been discussed, and we go back and forth as to whether we end up just giving away accessories for car deals.
16. What would help you sell more accessories? A bigger presence of new cars.
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? How often are they reviewed? We review this monthly. [Make sure we adjust our pricing as well for more profit. Let's start with a couple percent markup.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? I do now from the class and Mike showing me.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We do multiple monthly bin counts and the GM does as well. If the count is off, we research to try and find out why, plus get with the controller as well.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Yes. Any sale that is loss not having the part readily available.
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? We do not have a SOP issue. The biggest challenge, if any would be scheduling with service. [I agree this is not an issue at all with our store.](#)
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is the current dollar value of your obsolescence? We have zero obsolescence. If there was a cause it would be non-returnable.
23. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? We have our inventory set up by sources. We have 2 sales in 9 months for fast moving/maintenance items. 3/9 for standard mechanical repair parts. 4/9 for collision or body related items.
24. On a scale of 1-10 (10 = expert level) what is your level of understanding of the information that is on your DMS's monthly summary? 8
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? The only thing is that we continue great communication.